

State Employee Benefits Advisory Council Meeting
May 19, 2010
Statewide Benefits Office
Dover, Delaware

The State Employee Benefits Advisory Council met on May 19, 2010 in the Statewide Benefits Office, 500 W. Loockerman St., Suite 320, Dover, Delaware. The following Council members and guests were present:

Thomas Chapman, SEBAC Chair, DSEA,
Seaford S.D.
Marsha Carson, SEBAC, DOS
Michael Nichols, SEBAC, DSP
Brenda Lakeman, OMB, SW Benefits, Director
Faith L. Rentz, OMB, SW Benefits
Deputy Director

Ann Skeans, OMB, SW Benefits
Mary Thuresson, OMB, SW Benefits
Lisa Carmean, City of Milford
Dave Leiter, State Employee, DHSS

Mr. Chapman called the meeting to order at 3:02 p.m.

1. Approval of Minutes

Mr. Chapman requested a motion to approve the March 18, 2010 SEBAC minutes. Ms. Carson made the motion and Mr. Nichols seconded the motion. Upon unanimous voice vote the minutes were approved.

2. Update of SEBC Activities – Brenda Lakeman

SEBC will discuss the federal mandate to allow dependents up to age 26 be covered on their parents insurance. According to our Attorney General, if they want this to take effect prior to July 1, 2011, then Delaware Code has to be changed. SEBC cannot take action early unless legislation is changed first. With Legislature just returning on June 2, 2010, and the requirement to give a written notice of 30 days and allow for a 30 day enrollment period, there probably isn't time for it to happen by July 1, 2010. Discussion followed. There is an opportunity for the state to apply to recoup up to \$15M for claims reimbursement up to 80 percent (for claims from \$15,000 but less than \$90,000) on early retirees under age 65. There is a tight time line in which to apply with only \$5 billion in funds available. This will be first come, first served. The SEBC has no action to take. The Statewide Benefits Office will be working on this with AON.

Senate Bill 247 to eliminate Double State Share (DSS) has been introduced by Senator Katz. Ms. Lakeman explained how DSS came into being in the 1970's with its purpose being to save the state money by not having to pay for two separate plans for married employees. This is no longer the case as rates have changed and it is no longer beneficial to the state. Up to \$4M in General Fund monies could be saved per year. There are approximately 6,300 employees and pensioners this would affect. The SEBAC was encouraged to have a comment prepared for SEBC in case they were asked. Discussion included employee comments to SEBAC members, possible grandfathering which would mean Delaware Code revision, new tiers for new hires or possibly new rates for DSS employees. Repercussions from eliminating the DSS for state employees and retirees, as well as costs to the state were covered. It was pointed out that administrative costs could rise up to \$1M.

Ms. Rentz gave an overview of the new Health Integrated Management being administered by Alere. It will be effective July 1, 2011. All disease management will be transitioned to Alere from all state health plans. Letters will be sent to all who are enrolled in the health plans concerning the new program and services. The DelaWELL program, which is handled internally in Statewide Benefits by two state employees, will work with Alere. "Care Management" will now be the title for the eight medical conditions they will offer help for. There will be 24/7 phone access to a nurse for medical questions. A new "health portal" will be available on-line which will allow for tracking. There will be an incentive piece where employees can work towards goals and be able to apply money earned towards their health care. The wellness portion will not begin until October 1. There are no extra fees to state employees for these services. The existing programs are being streamlined under one vendor. This will amount to a 40 percent savings over what is now being paid out to BCBS and Aetna. By October 1 there will be a new Wellness and Health Assessment with Biometric Screenings available. Alere is coming from Pennsylvania to present this program to the SEBC Monday.

Ms. Lakeman will present feedback concerning the IVF changes SEBC approved to go into effect July 1, 2010. Concerned employees using IVF have called because they had not planned on having the 25 percent co-pay costs. There are approximately 150 people approved for IVF. Discussion followed.

Details of the Dependent Eligibility Audit recently completed will be reported to SEBC. With all said and done there was three percent or less who did not have documentation. This would not be worth the cost to do a statewide audit.

3. SEBAC Comment to SEBC

The Council will decide over the next few days who will present their comment as Mr. Chapman will not be available to attend. Due to numerous inquiries, all members agreed their comment will be to encourage SEBC to implement the coverage for dependents up to age 26 as early as physically and fiscally possible.

Concerning Senate Bill 247, elimination of DSS, SEBAC expressed it would be a hardship on employees and pensioners who are participating. They urge legislators not to pass SB 247 due to its significant financial impact.

SEBAC previous comment endorsing the IVF changes stands.

4. Other Business

None.

5. Public Comment

Brief comments were intermingled during discussions.

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Mr. Chapman noted he may not be in attendance at the June 24th SEBAC meeting. He asked for a motion to adjourn. Mr. Nichols made the motion and Ms. Carson seconded the motion. Upon a unanimous verbal approval the meeting adjourned at 4:15 p.m.

Respectfully submitted,

Mary Thuresson
Administrative Specialist II
Statewide Benefits Unit, OMB